Grantee: St Paul, MN

Grant: B-09-LN-MN-0038

July 1, 2010 thru September 30, 2010 Performance Report

Grant Number:

B-09-LN-MN-0038

Grantee Name:

St Paul, MN

Grant Amount:

\$18.031.623.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

Disasters:

Declaration Number

NSP

Obligation Date:

02/11/2010

Award Date:

02/11/2010

Contract End Date:

02/11/2013

Review by HUD:

Reviewed and Approved

Narratives

Executive Summary:

The City of Saint Paul received \$18,031,623 of grant funds from the United States Department of Housing and Urban Development through the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act of 2009.

The NSP2 Target Geography has been selected in a manner that will allow NSP2 activities to holistically build upon and leverage the successes of recent and current neighborhood stabilization efforts undertaken by the City: the Invest Saint Paul Initiative and NSP1. Within the NSP2 Target Geography, use of these funds will help stabilize these neighborhoods and position them for a stabilized role in a revitalized community.

The NSP2 program has a tightly defined short list of eligible activities. Saint Paul&rsquos NSP2 plan is structured around this list and may be summarized as follows:

The City will undertake the following activities in the following approximate quantities over three years:

- Financial incentives for buyers: for 86 buyers
- Acquisition and rehabilitation: 85 homes
- (B, D) Acquisition and demolition of blighted structures: 28 structures
- Land-bank vacant lots for future re-use: 28 parcels
- In addition, the City will use NSP2 program income for (E) Redevelopment activities in future years.

Target Geography:

The Saint Paul Target Geography is comprised of 18 census tracts with an average &ldquoforeclosures with vacancy risk index score&rdquo of 19.44. A map of these census tracts and a listing of their scores can be seen at www.stpaul.gov/nsp.

The NSP2 Target Geography closely mirrors a subset of the City&rsquos NSP1 area referred to as the &ldquoMarket Collapse Area.&rdquo These neighborhoods have the largest concentration of vacant homes and foreclosures in the City. Though occupying only 13 percent of the citywide land area, NSP2 Target Geography contains over 55 percent of the vacant homes and 40 percent of the foreclosed homes in the city. There are many blocks in this area containing more vacant houses than occupied houses. These were the first neighborhoods in Saint Paul hit by the housing collapse starting in 2006. Investor foreclosures started initially, followed quickly by many single-family homeowner foreclosures. Many properties in these neighborhoods have been haphazardly converted from original single-family and duplex structures to multi-family buildings that are operated as sub-par rental units. There are many blighted properties unfit for habitation that should be demolished. The values in these neighborhoods continue to deteriorate as low-value investors continue to buy cheaply and fix cheaply.

Minnesota Housing Finance Agency data suggests a greater availability of credit with unfavorable terms in the NSP2 Target Geography perhaps leading to a higher number of foreclosures and vacancies. MHFA data also indicates that the NSP2 Target Geography census tracts have lower mortgage loan approval rates than tracts in other parts of Saint Paul.

Program Approach:

(A) Financial Incentives. 86 buyers @ \$15,000 average = \$1,290,000

The City will establish financial incentive programs for purchasers of foreclosed upon homes and residential properties. These programs may be available for buyers of either rehabilitated NSP2-funded properties or other eligible foreclosed or abandoned properties.

- (B) Acquisition and Rehabilitation. 85 homes @ \$57,000 average acquisition + \$100,000 average rehabilitation = \$13,345,000 The City will acquire and rehabilitate approximately 85 abandoned or foreclosed upon homes during the first three years of NSP2. The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners. Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. The City will minimize the risk and capital requirements of our development partners to expedite this activity.
- (B, D) Acquisition, Demolition and Land Bank. 28 homes @ \$27,500 average acquisition + \$15,000 average demolition + holding costs = \$1,593,461

The City will acquire approximately 28 blighted structures and will remove these destabilizing influences via demolition. Acquisition will be either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via direct negotiations with property owners. The 28 vacant parcels will then be held in land-bank status for future re-use. NSP2 funds will be used to cover the ongoing carrying costs and maintenance of land-banked property.

(E) Redevelopment to be funded with program income in future years

NSP2 program income will be generated by future sales of rehabilitated homes and cleared lots available for redevelopment. These proceeds will fund redevelopment of vacant lots.

Administration = \$1,803,162

Ten percent of the NSP2 grant is available to cover administrative costs associated with carrying out the activities of the program.

Consortium Members:

None.

How to Get Additional Information:

Please see www.stpaul.gov/nsp or call Joe Musolf, Senior Project Manager, Department of Planning and Urban Development, City of Saint Paul at 651-266-6594.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$18,031,623.00
Total CDBG Program Funds Budgeted	N/A	\$18,031,623.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$507,013.09	\$507,013.09
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$1,803,162.30	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,803,162.30	\$1,803,162.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$4,507,905.75	\$4,507,906.00

Overall Progress Narrative:

Third Quarter 2010 progress has focused on acquisition. 12 properties were acquired and another 17 are in negotiation phase. Acquisition activity has been concentrated in four sub-areas of the NSP2-eligible geography. These are four areas with significant community interest, including the areas around two neighborhood elementary schools that are the centerpieces of a Promise Neighborhoods planning grant the City of Saint Paul and the Saint Paul Public Schools District recently recieved. In addition, some NSP1-funded acquisitions have been determined to be rehabilitated with NSP2 funds and progress on those homes has begun. Progress has also been made on a marketing and branding strategy for disposition of rehabbed homes. And time has been spent on outreach efforts to the contractor and trades communities to publicize the work opportunities associated with the rehabs.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Admin	\$0.00	\$1,803,162.00	\$0.00
002-A, Financing Mechanisms	\$0.00	\$1,290,000.00	\$0.00
003-B, Acquisition and Rehab	\$0.00	\$13,345,000.00	\$0.00
004-C, Land Bank	\$0.00	\$1,173,461.00	\$0.00
005-D, Demolition	\$0.00	\$420,000.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 001-1

Activity Title: Administration

Activity Category: Activity Status:

Administration Under Way

Project Number: Project Title:

001 Admin

Projected Start Date: Projected End Date:

02/11/2010 02/11/2013

Benefit Type: Completed Activity Actual End Date:

N/A

National Objective: Responsible Organization:

N/A City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,803,162.00
Total CDBG Program Funds Budgeted	N/A	\$1,803,162.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
City of St Paul	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Administrative costs associated with carrying out the activities of the program.

Location Description:

Activity Progress Narrative:

General administrative activity has included establishment of appropriate accounting and record-keeping structures as well as establishement of access to an internal line of credit for the NSP2 program.

Significant effort has been made to reach out to contractor and trades community to publicize the work opportunities associated with the NSP-funded rehabs. This includes education about compliance requirements, including Section 3.

Also, city staff has developed a preliminary marketing and branding strategy for disposition of NSP properties.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-1

Activity Title: Acquisition LH

Activity Category: Activity Status:

Acquisition - general Planned

Project Number: Project Title:

003-B Acquisition and Rehab

Projected Start Date: Projected End Date:

05/01/2010 09/30/2011

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LH - 25% Set-Aside City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,596,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,596,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$29,316.23	\$29,316.23
City of St Paul	\$29,316.23	\$29,316.23
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Location Description:

Activity Progress Narrative:

The City of Saint Paul has been pursuing numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, a negotiated bulk purchase from Fannie Mae, and direct negotiation with other owners. The structure at 174 Charles Avenue is an example of the type of property that fits Saint Paul's LH 25 strategy. It is a "true" duplex, will be rehabilitated in partnership wiith a local Community Development Corporation (under activity 003-B-3 Rehab LH) and will be operated as a rental property for the required period of affordability.

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	1/28
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	2	2/28

# of Multifamily Units	2	2/20
# of Singlefamily Units	0	0/8

No Beneficiaries Performance Measures found.

Activity Locations

AddressCityStateZip174 Charles AvenueSaint PaulNA55103

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-2

Activity Title: Acquisition LMMI

Activity Category: Activity Status:

Acquisition - general Planned

Project Number: Project Title:

003-B Acquisition and Rehab

Projected Start Date: Projected End Date:

05/01/2010 09/30/2011

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LMMI City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$3,249,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,249,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$320,757.05	\$320,757.05
City of St Paul	\$320,757.05	\$320,757.05
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners.

Location Description:

Activity Progress Narrative:

The City of Saint Paul has been pursuing numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, a negotiated bulk purchase from Fannie Mae, and direct negotiation with other owners. These seven properties will now move into the rehabilitation phase (activity 003-B-4 Rehab).

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	7	7/57
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	7	7/57
# of Multifamily Units	0	0/0
# of Singlefamily Units	7	7/57

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
995 Carroll Avenue	Saint Paul	NA	55104
950 Westminster Street	Saint Paul	NA	55106
1080 Ross Avenue	Saint Paul	NA	55106
522 York Avenue	Saint Paul	NA	55130
719 Fuller Avenue	Saint Paul	NA	55104
186 Front Avenue	Saint Paul	NA	55117
704 Desoto Street	Saint Paul	NA	55130

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 003-B-3
Activity Title: Rehab LH

Activitiy Category: Activ

Rehabilitation/reconstruction of residential structures

Project Number:

003-B

Projected Start Date:

07/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acquisition and Rehab

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$2,911,906.00
Total CDBG Program Funds Budgeted	N/A	\$2,911,906.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
City of St Paul	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Location Description:

Activity Progress Narrative:

The City of Saint Paul is negotiating a development agreement with a local Community Development Corporation to have this duplex rehabilitated and operated as rental. This property will be a part of a larger scattered-site rental project with this CDC, including some properties purchased with NSP1 funds.

The scope of work for the rehab of this property is now being developed.

Accomplishments Performance Measures

This Report Period Cumulative Actual Total / Expected

Total Total

of Properties 1 1/28

This Report Period Cumulative Actual Total / Expected

Total Total

of Housing Units 2 2/28

# of Multifamily Units	2	2/20
# of Singlefamily Units	0	0/8

No Beneficiaries Performance Measures found.

Activity Locations

AddressCityStateZip174 Charles AvenueSaint PaulNA55103

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-4

Activity Title: Rehab LMMI

Activity Category: Activity Status:

Rehabilitation/reconstruction of residential structures Planned

Project Number: Project Title:

003-B Acquisition and Rehab

Projected Start Date: Projected End Date:

07/01/2010 02/11/2013

Benefit Type: Completed Activity Actual End Date:
Direct Benefit (Households)

National Objective: Responsible Organization:

NSP Only - LMMI City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$5,588,094.00
Total CDBG Program Funds Budgeted	N/A	\$5,588,094.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$3,396.78	\$3,396.78
City of St Paul	\$3,396.78	\$3,396.78
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community.

Location Description:

Activity Progress Narrative:

Four homes were acquired with NSP1 funds and will be rehabilitated with NSP2 funds. Scopes of work for these rehabs are now being developed by a Community Development Corporation partner of the City. Seven homes were acquired with NSP2 funds, and miscellaneous costs associated with rehab have been incurred.

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	11	11/57
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	11	11/57
# of Multifamily Units	0	0/0
# of Singlefamily Units	11	11/57

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
1080 Ross Avenue	Saint Paul	NA	55106
995 Carroll Avenue	Saint Paul	NA	55104
704 Desoto Street	Saint Paul	NA	55130
707 Thomas Avenue	Saint Paul	NA	55104
719 Fuller Avenue	Saint Paul	NA	55104
670 Thomas Avenue	Saint Paul	NA	55104
629 Sherburne Avenue	Saint Paul	NA	55104
309 Thomas Avenue	Saint Paul	NA	55103
186 Front Avenue	Saint Paul	NA	55117
950 Westminster Street	Saint Paul	NA	55106
522 York Avenue	Saint Paul	NA	55130

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

004-C-1 **Grantee Activity Number:**

Land Banking Acquisition Activity Title:

Activitiy Category: Activity Status:

Land Banking - Acquisition (NSP Only) Planned

Project Number: Project Title: 004-C

Land Bank

Projected Start Date: Projected End Date:

05/01/2010 03/31/2011

Completed Activity Actual End Date: Benefit Type:

National Objective: Responsible Organization:

NSP Only - LMMI City of St Paul

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$770,000.00
Total CDBG Program Funds Budgeted	N/A	\$770,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$153,543.03	\$153,543.03
City of St Paul	\$153,543.03	\$153,543.03
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

N/A

The City will acquire blighted structures either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via direct negotiations with property owners.

Location Description:

Activity Progress Narrative:

The City of Saint Paul has been pursuing numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, a negotiated bulk purchase from Fannie Mae, and direct negotiation with other owners. These four properties have been acquired with the intent to demolish (activity 005-D-1 Demolition) and land-bank (activity 004-C-2 Land Bamk Holding) for future redevelopment of the razed lots.

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	4	4/28

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
540 Sherburne Avenue	Saint Paul	NA	55104
560 Brunson Street	Saint Paul	NA	55130
648 Bush Avenue	Saint Paul	NA	55130
1078 Sherburne Avenue	Saint Paul	NA	55104

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount